STATE OF CALIFORNIA—HEALTH AND WELFARE AGENCY

GEORGE DEUKMEJIAN, Governor

DEPARTMENT OF HEALTH SERVICES
714/744 P STREET
SACRAMENTO, CA 95814

April 3, 1986

To: All County Welfare Directors
County Administrative Officers

Letter No. 86-21

MEDI-CAL BUY-IN OF MEDICARE PART B PREMIUMS/EFFECTIVE DATE

This letter is to provide clarification on the effective date for state payments of Part B Medicare premiums, and to forward the related Procedures Manual revision to Article 15F - Buy-In and Medicare.

California Administrative Code (CAC), Title 22, Section 50773(b) provides that state payment of Part B premiums under Buy-In provisions shall become effective the third month of Medi-Cal eligibility for Medically Needy persons who were not eligible for a federally covered Medi-Cal program in the month before their first month of MN eligibility.

To ensure statewide uniformity and to eliminate related quality control (QC) errors, counties should assume that State Buy-In Coverage commences in the third month of eligibility, regardless of individual cases to the contrary. Any overstated shares of cost resulting from third month assumption can be adjusted in later months as provided in CAC, Title 22, Section 50653.3.

In those situations where the county is notified that an individual was inadvertently dropped from Buy-In, the county will:

1. Notify DHS to resume Buy-In as provided in CAC, Title 22, Section 50765(3).

2. Adjust any overstated share of cost in those months where timely reporting occurred or occurs as provided in CAC, Title 22, Section 50653.3(a).

3. Assume Buy-In is effective in the third full month following notification to DHS as provided in item 1 above.

Any questions regarding this policy should be directed to Teri Hodges of my staff at (916) 324-4972.

Sincerely,

Original signed by

Doris Z. Soderberg, Chief
Medi-Cal Eligibility Branch

cc: Medi-Cal Liaisons
Medi-Cal Program Consultants

Expiration Date: August 31, 1986

f. When the form is completed, the individual should send it back to the SSA district office along with the documents requested.

7. Buy-In Effective Date for MN Persons

Buy-In coverage for a qualified aged, disabled, or blind MN eligible begins two months after the month they become eligible for medical assistance, unless the individual was a PA or Other PA eligible in the month immediately preceding the month in which MN eligibility began.

The two-month lag time for aged, disabled, or blind MN is automatically calculated by the State from the beginning date of eligibility reported by the counties. Any overstated shares of cost resulting from third month assumption can be adjusted in later months as provided in California Administrative Code (CAC), Title 22, Section 50653.3. When a beneficiary receiving Medicare changes from PA to MN status, there should be continuous Buy-In and the two-month lag time does not apply.

8. When a Buy-In Coverage Period Ends

Buy-In coverage ends on the last day of the month in which a person loses eligibility for either Medicare or Medi-Cal. So long as a beneficiary is continually Medi-Cal and Medicare eligible, there should be no breaks in Buy-In coverage.

In those situations where the county is notified that an individual was inadvertently dropped from Buy-In, the county will:

a. Notify the Department of Health Services (DHS) to resume Buy-In as provided in CAC, Title 22, Section 50765 (3).

b. Adjust any overstated share of cost in those months where timely reporting occurred or occurs as provided in CAC, Title 22, Section 50653.3(a).

c. Assume Buy-In is effective in the third full month following county notification to DHS, as provided in item a. above.

9. Medicare Coding -- Medi-Cal Card Process

The Medicare coding system is the vehicle for reporting Medicare eligibility to the Medi-Cal card production system. If a match